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SUBSTITUTE SENATE BILL 6262

State of Washington 59th Legislature 2006 Regular Session

By Senate Committee on Labor, Commerce, Research & Development (originally sponsored by Senators Kohl-Welles, Parlette, Honeyford, Keiser, Prentice and Kline; by request of Department of Labor & Industries)

READ FIRST TIME 01/25/06.

- AN ACT Relating to establishing a pilot program to allow employers 1
- 2 to assist employees in completing applications for industrial insurance
- 3 benefits; and amending RCW 51.28.015.
- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 Sec. 1. RCW 51.28.015 and 2005 c 108 s 1 are each amended to read as follows: 6
 - (1) The legislature finds that:

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- 8 (a) In 1998, the joint legislative audit and review committee, in its performance audit of the Washington industrial insurance system, 9 10 reported that one of the most significant causes for delayed benefit 11 payments to workers and lack of employer involvement in claims was the 12 manner in which claims were reported. Under this system of reporting, the worker generally reports the injury to a physician who, in turn,
- 13 14 reports the injury to the department.
- (b) The performance audit further reported that adopting a system 15 in which the employee reports to the employer and the employer reports 16 to the department would speed the first payment of benefits to the 17 worker and involve the employer, from the beginning of the claim, in 18

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1 assisting in the management of the claim, including returning the 2 worker to work.

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- (c) The performance audit also recognized that there would be instances in which workers would be reluctant to report injuries to employers and that, therefore, the system of physician reporting should be retained as an alternative, and employer reporting should be tested on a widespread basis.
- $(2)((\frac{1}{2}))$ The department of labor and industries shall develop and implement an initiative to:
- 10 <u>(a) Encourage</u> the reporting of industrial injuries <u>and occupational</u>
 11 <u>diseases</u> by the worker to his or her employer and by the employer to
 12 the department((. Under this initiative, the department must take
 13 <u>steps to</u>));
- 14 <u>(b) Encourage the employer to provide assistance to the worker in</u> 15 completing the application for compensation; and
- 16 <u>(c) E</u>ducate workers and employers about the benefits and importance 17 of prompt reporting of injuries <u>and diseases</u>.
 - $((\frac{b}{By}))$ (3) By January 1, 2007, the department shall develop and begin a pilot program to allow employers to assist workers in completing an application for benefits. This pilot program does not replace the current method for reporting as provided in RCW 51.28.020. The department shall develop requirements or rules for employers who participate in the pilot program, including provisions to ensure prompt reporting of the claim and communicating a worker's rights and responsibilities under the pilot program. The pilot program shall include the voluntary participation of employers that represent a cross-section of industries, geographic areas, union and nonunion workers, large and small businesses, and other criteria established by the department with input of business and labor leaders. The department will, to the greatest extent possible, attempt to include in the pilot all employers who volunteer. During the pilot period, the department shall continue to expand the participation of employers and shall consider steps to address the unique needs and issues of small employers. The pilot program expires July 1, 2009.
 - (4) On December 1, ((2006)) 2007, and December 1, 2008, the department of labor and industries shall ((develop and make statutory recommendations for an alternative system of reporting injuries under which the worker would report to the employer and the employer would

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report to the department. Upon passage of such legislation, the department shall immediately begin an educational effort to promote this method of reporting.

(3)(a) The department must conduct)) report to the appropriate committees of the legislature the findings of a study of:

 $((\frac{1}{2}))$ (a) Claims that are not reported promptly, including but not limited to a review of the circumstances of such claims, the type of injuries involved in such claims, and the reasons for the failure to report such claims promptly;

 $((\frac{(ii)}{(i)}))$ (b) The effect of the educational initiative required under subsection $(2)((\frac{(a)}{(a)}))$ of this section on whether the number of claims reported to employers increased, whether there was a reduction in delays in benefit payments, and whether there was an improvement in employer involvement in assisting with claims management and an increase in appropriate return-to-work and better outcomes for injured workers and employers; $((\frac{and}{a}))$

 $\frac{(\text{iii})}{(\text{c})}$ The results of the efforts of the centers of occupational health education in early reporting and early notification of employers, and the general lessons that can be drawn from these results for the larger workers' compensation program((\div

- (b) By December 1, 2006, the department must report on the results of the study to the appropriate committees of the legislature)); and
- (d) The results of the pilot program for workers to begin the process of applying for compensation through the employer and whether additional statutory changes are required or recommended to implement this process for all employers and workers.

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